



# FY13 Budget PUBLIC COMMENT MEETING

## ***Meeting Purpose - Why are we here***

1. Overall Meeting Series - Review Preliminary Budget Proposal (assumptions, changes, etc.)
2. Second-In-A-Series of Meetings Designed to Solicit Public Comment on Key Budget Issues.
3. Review/Respond to Comments from Feb. 7<sup>th</sup> Meeting.

# ***FY13 Budget***

## **PUBLIC COMMENT MEETINGS**

### **Questions Received:**

- 1. Capital Investment Plan (CIP)** – Needs further explanation on how it works and what are the benefits.
- 2. Salary–Compensation Adjustments**  
Need further information on salary survey specifics & criteria.
- 3. Other -**
  - a. Are there greater efficiencies that the Town can achieve?
  - b. Should the Town consider an efficiency audit?
  - c. When Police/Fire positions were cut there was an expectation of re-organization – why has that not happened?

# ***FY13 Budget***

## **PUBLIC COMMENT MEETINGS**

### **Question #1: Capital Investment Plan (CIP)**

### **Details**

1. **30 year plan**
2. **Incorporates capital policies set by Selectmen and Finance Comm.** *(e.g., Police Cruisers replaced every 100,000 miles or every 3 yrs, roofs re-shingled every 25 years, etc.)*
3. **Capital Includes:** **a) buildings** *(annual maintenance, capital improvements, minor renovations, etc.)* **b) fleets**  
**c) equipment**
4. **Incorporates bonding whenever advisable.**

# ***FY13 Budget***

## **PUBLIC COMMENT MEETINGS**

### **Capital Investment Plan (CIP)**

# **Philosophy**

1. **Create greatest cost efficiency through timely maintenance of all capital** – Maintain optimal consistency from year-to-year.
2. **Predictable annual expenditure** - Fits within levy limit - Avoids overrides - Allows better year-to-year budget management.
3. **Avoids expense associated with emergency actions** (pay premium) **and disruptive down time.**

# ***FY13 Budget***

## **PUBLIC COMMENT MEETINGS**

### **Capital Investment Plan (CIP)**

### **How Does It work?**

1. Applies replacement/repair policies to all capital throughout town – **Example:**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019...</u>
Police Cruiser Replacement (every 3 years)	X			X			X
Re-shingle Roof (Fire Station) (every 20 years)			X				
Replace Septic System (every 40 years)						X	

**NOTE:** Each year the H-W CMC reviews 30 year plan and makes adjustments as appropriate. Policies are adjusted over 5-10 yr. time period to establish a more accurate and appropriate set of capital policies.

# ***FY13 Budget***

## **PUBLIC COMMENT MEETINGS**

### **Capital Investment Plan (CIP)**

### **How Does It work? (continued)**

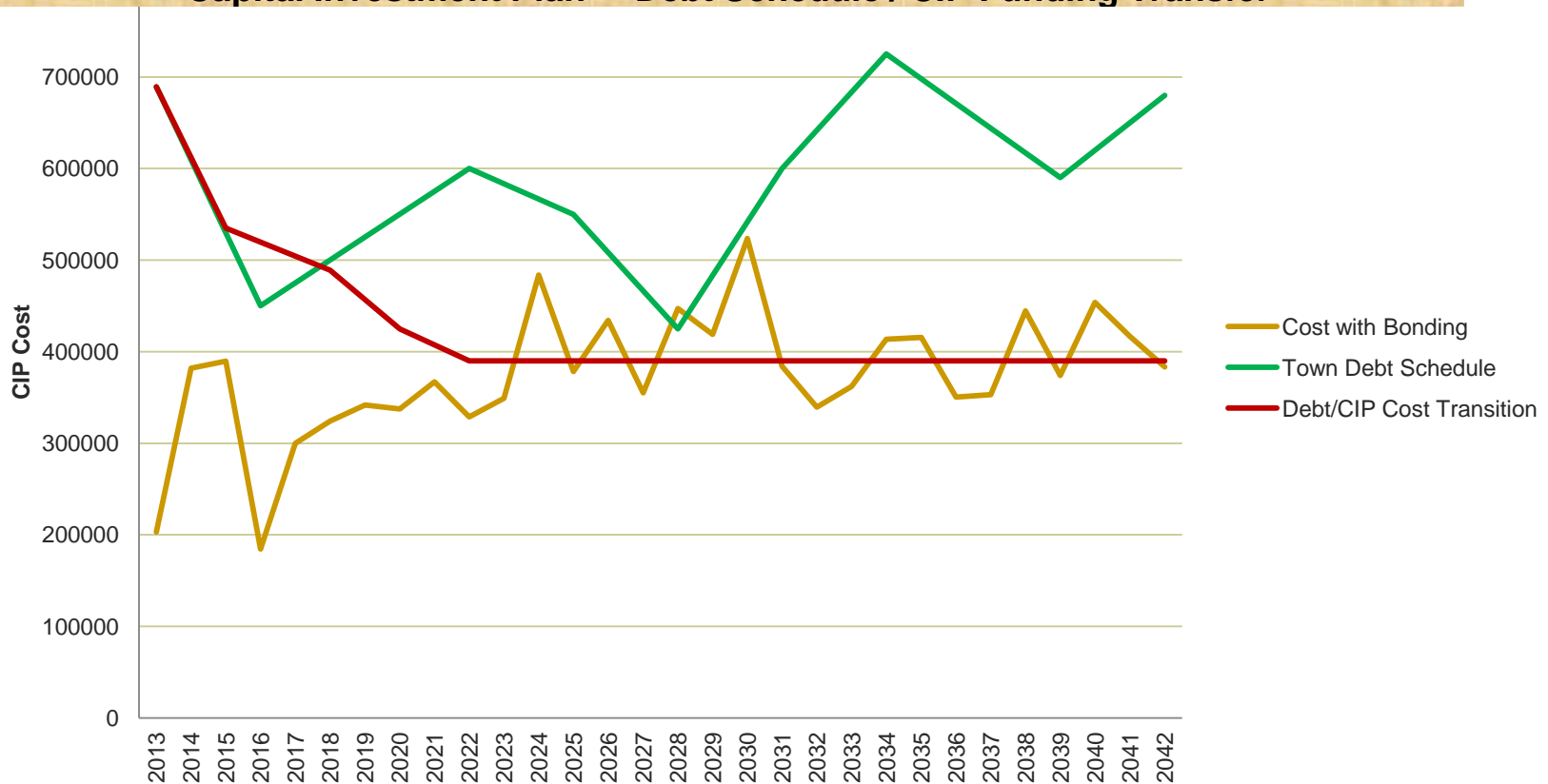
2. **Normalize Annual Cost** - \$370,000/year
3. **Establish Continued Balance Account**
  - Un-used \$ remain in the account year-to-year.

**Effect:** Creates incremental annual contribution that collectively funds full value of 30 yr. capital plan.
4. **Transition Funding from Debt Schedule to CIP**  
(4-7 years)

# ***FY13 Budget***

## **PUBLIC COMMENT MEETINGS**

**Capital Investment Plan – Debt Schedule / CIP Funding Transfer**



# ***FY13 Budget***

## **PUBLIC COMMENT MEETINGS**

Capital Investment Plan (CIP)

### **How Does It work?** (continued)

#### **Debt Schedule:**

- Current Debt Approp.= \$900,000 (approx.)
- Avg. annual decrease = \$30-\$35K/yr
- Debt Retirement Schedule (approx.):

**FY21** - \$1.6 mill.    **FY23-** \$1.2 mill.    **FY32=** \$5 mill.

**Debt History:** 10 year Avg.= \$830,000/yr. (approx.)



# ***FY13 Budget***

## **PUBLIC COMMENT MEETINGS**

### **Capital Investment Plan (CIP)**

### **How Does It work? (continued)**

#### **Town Meeting Action Required :**

- 1. Vote to Establish Capital Investment Plan (CIP) & Continued Balance Account – restricted use fund.**
- 2. Vote Each Year to Fund CIP – 2 separate votes.**
  - Fund capital items/actions shown in CIP in each successive year
  - Vote to fund \$370,000 each year and place in Cont. Balance Acct.
- 3. CIP does not include major renovations and/or new facilities** – These will require a separate appropriation and vote.

# ***FY13 Budget***

## **PUBLIC COMMENT MEETINGS**

### **Question #2: Salary / Compensation Adjustments**

#### **1. Salary Survey**

- a. Performed by consultant** – Human Resource Services, Inc., Andover, MA
- b. Criteria for Comparable Towns (10 Used)**
  - 10,000 or less pop.    -Similar geographic area
- c. Simple Salary Survey**
  - Salary (hourly & Annual) of comparable positions;
  - Limited data – Not sought: #hrs, job descriptions, etc.
- d. Approach to Recommendation**
  - “**Average**” salary used to establish recommendation
  - If range existed – Used lower end of range

# ***FY13 Budget***

## **PUBLIC COMMENT MEETINGS**

### **Question #2: Salary / Compensation Adjustments**

#### **Salary Adjustment History – Union & Non-Union**

	<u>06</u>	<u>07</u>	<u>08</u>	<u>09</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>
	(By %)							
<b>AFSCME</b>	2.5	3	3	3	0	-.5	.75	.75
<b>Police</b>		3	3	3	1	0	2	
<b>Fire</b>	2.5	2.5	2.5	3	3	3		
<b>Non-Union</b>	3	2.5	3	3	0	0	0	

# ***FY13 Budget***

## **PUBLIC COMMENT MEETINGS**

### **Question 3: Other**

**1. Q: Can the Town Achieve Greater Efficiencies?**

**A:** Not Expected – 3-4 yrs of Austerity Measures.

**2. Q: Should Town consider Operational Audit?**

**A:** Yes (eventually). Expected outcome:

- insufficiently resourced in many key areas
- Additional funding recommended in numerous departments in order to better manage risk and potential liabilities.

**3. Q: Police/Fire Departments –Why did re-org. not occur?**

**A:** Studied & recomm. But not supported by Town Meeting.

# ***FY13 Budget***

## **PUBLIC COMMENT MEETINGS**

What is next?

- **Finance Committee will finalize the FY2013 Budget throughout March**
- **Finance Comm. & Selectmen will meet as appropriate throughout March to coordinate budget.**
- **Print Deadline: April 9<sup>th</sup>.**
- **Warrant Hearing - April 30<sup>th</sup>**
- **Annual Town Meeting – May 5<sup>th</sup>.**